

Message Text

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SUBJ: COMMERCIAL REPORTING -- BEST PROSPECTS

REF: STATE 263709

1. FOLLOWING IS TEXT OF "HEALTH CARE MARKET IN IRAN," PRIORITY LISTING NUMBER THREE:

2. QUOTE: THE HEALTH CARE INDUSTRY OF IRAN IS GROWING AT A RAPID RATE. ACCORDING TO CURRENT PLANS, IRAN WILL ADD 8,500 NEW BEDS TO THEIR ALREADY 65,000 BED TOTAL BY 1978. ADDITIONALLY, IRAN HAS PASSED INTO LAW A CRADLE-TO-GRAVE HEALTH SCHEME FOR WHICH ALMOST ONE HALF OF THE POPULATION WILL BE COVERED BY 1978 AND THE REMAINDER BY 1983. IN ORDER TO IMPLEMENT THIS SCHEME, THE GOVERNMENT PLANS TO BUILD 15 NEW LARGE URBAN HOSPITALS OF 200-600 BEDS EACH, OVER 1,000 NEW CLINICS (MOST LOCATED IN RURAL AREAS); TO DATE THE GOVERNMENT HAS IMPORTED MORE THAN 3,400 MEDICAL PERSONNEL FROM INDIA, KOREA AND THE PHILIPPINES, AND HAS CENTRALIZED PURCHASE OF MEDICAL HARDWARE IN THE WELFARE MINISTRY. IT SHOULD BE NOTED, NONETHELESS, THAT IMPLEMENTATION OF THE FIFTH PLAN HAS BEEN SLOWED FOR BUDGETARY REASONS, AND NEW SETS OF PRIORITIES AS WELL AS SCALED-DOWN GOALS MAY BE FORTHCOMING IN HEALTH AND IN OTHER AREAS.

3. QUOTE: THE MINISTRY OF HEALTH HAS A TOTAL BUDGET OF \$741 MILLION DURING THE 1975-76 BUDGET YEAR. OF THIS TOTAL, MEDICAL SERVICES WILL HAVE \$358 MILLION AVAILABLE FOR PROGRAMS WHILE HEALTH SERVICES AND RURAL HEALTH WILL

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HAVE A \$180 MILLION BUDGET.

4. QUOTE: THERE WERE ONLY 13,137 PHYSICIANS AND DENTISTS IN IRAN IN JANUARY 1975. A RECENT QUOTE IN THE LOCAL NEWSPAPER READS, 'NUMBER OF IRANIAN PHYSICIANS IN WASHINGTON AND NEW YORK IS MORE THAN IN ANY ONE CITY IN IRAN.' THIS PROBLEM OF DOCTORS AND MEDICAL PERSONNEL NOT RETURNING HAS LED TO A PROJECTED DOCTOR SHORTAGE IN 1978 OF 20,000 IN IRAN.

5. QUOTE: OTHER MEDICAL PERSONNEL ARE IN EQUALLY SHORT NUMBERS. NURSES TOTALLED ONLY JUST OVER 5,000 IN 1974 AND LABORATORY TECHNICIANS ARE URGENTLY NEEDED DUE TO THE RAPID INCREASE OF CLINICS BEING FORMED IN IRAN TODAY. BETTER NURSES TRAINING AND TECHNICIAN TRAINING MUST BE STARTED AND THE OPPORTUNITIES FOR FIRMS WITH TRAINING PROGRAMS IN THIS AREA ARE EXCELLENT.

6. QUOTE: THE PLAN FOR HOSPITAL CONSTRUCTION IS PROCEEDING--ALBEIT SOMEWHAT SLOWLY--WITH 10 DIFFERENT ORGANIZATIONS IN IRAN WITH HOSPITAL BUILDING PLANS. FOREMOST AMONG THESE ARE THE MINISTRY OF HEALTH, IMPERIAL ORGANIZATION FOR SOCIAL SERVICES AND A GROUP OF PRIVATE ORGANIZATIONS HEADING THE LIST. VARIOUS INCENTIVES FOR THE PRIVATE DOCTORS AND OTHER QUALIFIED INDIVIDUALS TO BUILD AND OPERATE THEIR OWN HOSPITALS HAVE BEEN APPROVED. THESE INCLUDE LONG-TERM BUILDING LOANS WITH LOW INTEREST AND VARIOUS TAX WRITE-OFFS.

7. QUOTE: SEVERAL NEW PROJECTS HAVE BEEN IN THE TESTING STAGE FOR IMPLEMENTATION OF A COMPREHENSIVE HEALTH SCREENING PLAN WHICH COULD COVER BY 1985 THE TOTAL POPULATION OF IRAN. THE PROJECT IN AZERBAIJAN MAKES USE OF ONE HUNDRED MOBILE CLINICS GIVING A BATTERY OF TESTS TO VILLAGES LOCATED WITHIN THAT REGION. DOCTORS THEN LOOK AT BATCH RESULTS AND TREAT ONLY THOSE WITH REAL PROBLEMS.

8. QUOTE: THERE IS VIRTUALLY NO LOCAL MANUFACTURING OF MEDICAL EQUIPMENT IN IRAN TO DATE, EXCEPT FOR PHARMACEUTICALS; BAYER, SQUIBB AND UPJOHN MANUFACTURE DRUGS IN IRAN. IN 1974, THERE WAS AN ESTIMATED \$35 MILLION INVESTED IN UNCLASSIFIED

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THIS SECTOR. IRAN, IN 1974, ALSO IMPORTED \$44.1 MILLION IN DRUGS AND MEDICINES WHILE LOCAL MANUFACTURING ACCOUNTED FOR \$80.8 MILLION IN INTERNAL MAUFACTURING.

9. QUOTE: THE MARKET FOR MEDICAL EQUIPMENT IN IRAN, BASED UPON IMPORTS, IS ESTIMATED AS FOLLOWS (IN MILLIONS OF U.S. DOLLARS):

1972 1973 1974

U.S.....	12.1	18.8	26.7
WEST GERMANY.....	18.3	22.5	37.7
U.K.....	6.3	14.9	21.3
JAPAN.....	4.8	15.1	21.1
TOTAL MARKET	86.3	104.4	159.7

10. QUOTE: THERE IS NO LOCAL PRODUCTION OTHER THAN PHARMACEUTICALS AND ONE FIRM PRODUCING HOSPITAL BEDS.

11. QUOTE: ESTIMATED TOTAL MARKET CONSUMPTION OF MEDICAL EQUIPMENT AND DRUGS (IN MILLIONS OF U.S. DOLLARS): 1972, 116.2; 1973, 137.3; 1974, 203.4.

12. QUOTE: ESTIMATED MARKET FOR MEDICAL EQUIPMENT AND DRUGS (IN MILLIONS OF U.S. DOLLARS): 1975; 283.0; 1976, 330.0; 1977, 395.0.

13. QUOTE: ALL TYPES OF MEDICAL EQUIPMENT ARE NEEDED TODAY IN IRAN. MOST COUNTRIES OF THE WORLD ARE WELL FAMILIAR WITH THE SITUATION IN IRAN TODAY. IN GENERAL, COMPETITION IS BASED EVEN MORE ON QUALITY AND EASE OF OPERATION THAN ON PRICE. UNTIL A FEW YEARS AGO, GOVERNMENT PURCHASES WERE MADE ON A PRICE BASIS BUT SO MANY DOCTORS COMPLAINED ABOUT BAD EQUIPMENT THAT NOW QUALITY IS A DECIDING FACTOR IN MOST GOVERNMENT PURCHASES OF MEDICAL EQUIPMENT.

14. QUOTE: THE FOLLOWING ARE THE BEST PROSPECTS FOR MEDICAL EQUIPMENT SALES IN IRAN:
CARDIAC OUTPUT ANALYZERS; DEFIBRILLATORS; IMPLANTABLE PACEMAKERS;
CENTRAL STATION INTENSIVE CARE SYSTEMS; BEDSIDE INTENSIVE CARE SYSTEMS; TELEMETRY SYSTEMS FOR TRANSMITTING ELECTROCARDIOGRAMS;
SPIROMETERS; NITROGEN ANALYZERS; CO2 GAS ABSORBERS; RESUSCITATION
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EQUIPMENT; PNEUMOTACHYGRAPHS; INTENSIVE CARE INCUBATORS; BLOOD FLOWMETERS; BLOOD VOLUME ANALYZERS; ANESTHESIA EQUIPMENT; CRYOSURGICAL INSTRUMENTS; CATHETERS; PHYSIOTHERAPY EQUIPMENT; X-RAY EQUIPMENT; ELECTRONIC STETHOSCOPES AND AMPLIFIERS; ASPIRATOR UNITS; GAS CHROMATOGRAPHS; LIQUID CHROMATOGRAPHS; ATOMIC ABSORPTION/EMISSION SPECTROPHOTOMETERS; INFUSION PUMPS; CENTRIFUGES; GLUCOSE ANALYZERS; SAMPLE ANALYZERS; OSCILLOSCOPES; SPECTROFLUOROMETERS; FLAME PHOTOMETERS; MAMMOGRAPHIC EQUIPMENT; MOBILE LABORATORY TEST SYSTEMS; HOSPITAL SUPPLIES; PHARMACEUTICALS. UNQUOTE.
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